

The Gazette of India

EXTRAORDINARY

PART I—Section 1

PUBLISHED BY AUTHORITY

No. 161] NEW DELHI, MONDAY, NOVEMBER 27, 1961/AGRAHAYANA 6, 1883

MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTIONS

TARIFFS

New Delhi, the 27th November 1961

No. 32(1)-T.R./61.—The Tariff Commission has submitted its Report on the continuance of protection to the Soda Ash Industry on the basis of an inquiry undertaken by it under sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the soda ash industry should be continued at the existing rates of protective duty, namely, Rs. 8.37 per quintal (preferential) and Rs. 11.32 per quintal (standard) for a further period of three years ending 31st December 1964 (apart from the countervailing duty equal to the usual excise duty leviable on the item).
- (2) It is not desirable to levy excise duty on that part of soda ash production which is used for self-consumption as a raw material for brine purification.
- (3) For encouraging the use of alternative fuels like furnace oil particularly in areas in Southern and Western India to which coal movements by rail are becoming increasingly difficult, Government may review the impact of excise duty on such oil.
- (4) The question of providing for a higher depreciation or a rehabilitation allowance for cost-determination purposes in respect of soda ash and similar chemical industries on account of the highly corrosive nature of the materials used, should be examined further by Government as this is a general issue.
- (5) If a consumer undertakes to carry out protective measures for wagons used as required by the Railways, the higher freight rate for bulk salt should not be enforced.
- (6) The Railway Administration should, in consultation with soda ash manufacturers, evolve a workable arrangement for bulk movement of salt in open wagons and extend the facilities to cover long distance movement of salt also.
- (7) The alleged anomaly in freight rates on ammonium chloride which, though actually a fertiliser, is not charged at the lower rate for fertilisers when supplied to industrial consumers, may be considered by the Railway Administration for suitable action.
- (8) Government should adopt a flexible policy as regards licensing of additional capacity for soda ash.

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- (9) In the interest of development of the soda ash industry in an area which possesses natural advantages, the Government of Gujarat should sympathetically consider lifting or reducing the sales-tax on steam purchased by Saurashtra Chemicals from the Gujarat Electricity Board.
- (10) Hindusthan Salt Co. should take speedy steps to implement its schemes for installing necessary equipment for bulk handling of salt.
2. Government accept recommendation (1) above and necessary legislation will be undertaken in due course.
3. Government have taken note of recommendations (2) to (8) and steps will be taken to implement them as far as possible.
4. The attention of the Government of Gujarat is drawn to recommendation (9).
5. The attention of the Hindusthan Salt Co. is drawn to recommendation (10).

ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

No. 37(1)-T.R./61.—The Tariff Commission has submitted its Report on the continuance of protection to the Calcium Carbide Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the Calcium Carbide Industry should continue for three more years, i.e., till 31st December 1964 at the existing rate of duty of 50 per cent *ad valorem*.
- (2) Government should take steps to open up the areas (Kota and Malkangiri) where deposits of high grade lime-stone have been located and by connecting them by rail or road make them easily accessible to consuming industries like calcium carbide and soda ash. Intensive efforts should also be made to locate further deposits of good quality lime-stone near the existing calcium carbide units.
- (3) The Government of India should take up on a priority basis with the Durgapur Coke Oven Plant the question of manufacture of low ash and low phosphorus coke in the Durgapur Coke Oven Plant to meet the requirements of all the industries like calcium carbide, for which such coke is essential. Further, it would be in the interest of the calcium carbide industry to encourage producers of hard coke also to undertake manufacture of high grade coke required by it by offering them prices higher than those for ordinary coke.
- (4) The Government of India should, in consultation with the Government of Assam and the Coal Controller, examine whether the staff of Assam Oil Co. Ltd. should not be required to use ordinary fuel locally available and release the valuable petroleum coke for essential industrial uses.
- (5) Government should also take steps to ensure that the calcium carbide industry does not remain dependent on imports for its requirements of petroleum coke.
- (6) Pending an investigation by the Development Wing of the complaints by Calcium Carbide manufacturers that the quality of drum containers supplied by outside drum manufacturers does not conform to the prescribed minimum safety specifications, it is desirable to improve the bargaining strength of Birla Jute Manufacturing Co. Ltd. and Calico Mills—Chemical Division by issuing to them import licences for their actual requirements of steel sheets so that they can themselves import steel sheets of the correct specifications and exercise control over the fabricators who undertake to manufacture drums to the rigid specifications required.

- (7) The Coal Controller should review the position of the availability of Giridih coke and arrange for its equitable distribution with due regard to the specifications of coke required by the several industries at present consuming Giridih Coke.
2. Government accept recommendation (1) above and necessary legislation will be undertaken in due course.
3. Government have taken note of recommendations (2) to (7) and steps will be taken to implement them as far as feasible.

ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

B. N. ADARKAR, Jt. Secy.

